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DIARY NOTES

DD/S



1 November 1956

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1. Had lunch with Bob Macy, Bureau of the Budget, who briefed me on the procedure which the Bureau expects to follow in its Hearings this year. Specifically, his Examiners will come to the Agency for a whole series of conferences after which there will probably be one fairly brief and informal discussion with the Director...and possibly the Deputies...at the Bureau of the Budget. He had some feeling that the DD/P area was going to be difficult to handle this year. I told him I thought that this was only because of the very large number of questions which had been submitted, which I assumed was due in part to the fact that Messrs. Lewis and Wilhelm of his staff were new to the business. I commented that if these two conducted themselves in the same manner that the Macy, Perry, Hamilton trio had in the past I thought they would have no difficulty.



Bob also wanted to discuss his Korean report which I had not read. However, more important was his observation of the very confused intelligence picture in Korea with which I assured him we were thoroughly familiar. He also said that after people here had time to read his report he would appreciate an opportunity to come over and discuss it with us.

2. Larry Houston telephoned to say that the three Internal Revenue men doing our work within the Agency had been passed over for promotion for the second time. Apparently their personnel people will not give any credit for work done by them in CIA. He was going to get in touch with the District representative to do what he could. I told him that if he needed my support I would be glad to give it.

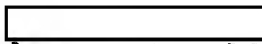
3. At the DD/P Staff Meeting Matt Baird announced that General Cabell had told him that we should have at least 100 people studying foreign languages overseas, that these should be without regard to budget or ceiling, and that they should not be attached to stations.

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4. Met with Harry Reynolds,  Gates Lloyd, and Colonel  and discussed the following:

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a. In the case of  it was tentatively concluded that charges which had been preferred by the Office of Logistics were insufficient to warrant dismissal through normal administrative procedures. I asked Harry and Vernon to discuss the matter further with

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Mr. [ ] supervisors and then to decide whether or not we should proceed against him on the grounds of mediocrity.

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b. In the case of [ ] I assured them that I had no personal interest in this case and that I thought the Technical Services Staff should be made to handle the case. This is particularly true in view of a Fitness Report made out by [ ] supervisor in TSS...which is not bad at all...and an extremely contradictory confidential letter written by the same individual at about the same time.

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d. I briefed the group on my decision with regard to the case and told them that I would straighten this out with Mr. [ ]

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5. After the meeting I assured Harry Reynolds that there was no truth to the rumor...which is apparently rampant...that Mr. [ ] is to return and become the Director of Personnel. Harry wants to get together with me sometime next week to talk about DD/S supergrades.

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6. Talked to [ ] about [ ]'s future and agreed that the SE Division would be a satisfactory place for his next assignment. This would anticipate that [ ] would move to Ken's Staff when [ ] went to the WH Division. Howard's chances of going overseas would not be prejudiced by this move. We also discussed briefly the coordination between him and Doug [ ] This has always been a fairly fuzzy relationship and the time apparently has come when we have to spell it out rather clearly. I asked him to get together with Doug to see if they could agree on what the proper relationship should be and to draw up a paper for my consideration. We discussed the housing situation and I agreed to speak to the Director about it first and then to get in touch with [ ] in order to settle some of the broad policy questions.

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